STATE BOARD OF ACCOUNTS 302 West Washington Street Room E418 INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

MERIDIAN STREET PRESERVATION COMMISSION

July 1, 2000 to June 30, 2004

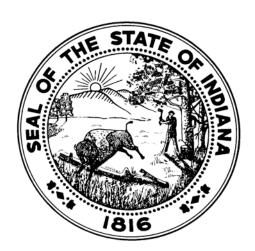


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OFFICIALS

 Office
 Official
 Term

 Chairman
 David L. Baker
 07-01-99 to 06-30-01

 Tammara L. Tracy
 07-01-01 to 06-30-06



STATE BOARD OF ACCOUNTS 302 WEST WASHINGTON STREET ROOM E418 INDIANAPOLIS, INDIANA 46204-2765

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MERIDIAN STREET PRESERVATION COMMISSION

We have examined the schedule of receipts, disbursements, and cash and investment balances of the Meridian Street Preservation Commission (Agency), for the period of July 1, 2000, to June 30, 2004. The Agency's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Agency for the years ended June 30, 2001, 2002, 2003, and 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 1, 2005

MERIDIAN STREET PRESERVATION COMMISSION SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES As Of And For The Years Ended June 30, 2001, 2002, 2003, And 2004

		2001	 2002		2003		2004
Cash and investments, July 1	\$	651	\$ 920	\$	724	\$	1,177
Receipts:							
Fees		814	 821		2,063		1,513
Disbursements:							
Recording fees and equipment		475	900		1,050		375
Public notice publications		66	117		419		171
Miscellaneous		4	 	_	141		210
Total disbursements		545	 1,017		1,610		756
Excess of receipts over disbursements		269	 (196)		453	_	757
Cash and investments, June 30	\$	920	\$ 724	\$	1,177	\$	1,934

The accompanying notes are an integral part of the schedule.

MERIDIAN STREET PRESERVATION COMMISSION NOTES TO SCHEDULE

Note 1. Introduction

The Agency was established under the laws of the State of Indiana. The Agency provides the following services: preserve and promote restoration of unique and historic residential areas; specifically, a portion of Meridian Street in Indianapolis, Indiana. Funds needed to operate the Agency are obtained through the collection of fees and from donations. The agency received its initial funding from a grant (\$2,000) from Eli Lilly in September 1972. The agency consists of nine volunteer members, two appointed by the Mayor of Indianapolis and seven by the Governor. These members hold monthly meetings to hear petitions from Meridian Street property owners. The owners must file a petition to obtain approval for any zoning variances or to make any change in appearance of their property.

Note 2. Fund Accounting

The Agency uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Deposits and Investments

Deposits, made in accordance with IC 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Agency to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds.

MERIDIAN STREET PRESERVATION COMMISSION EXAMINATION RESULTS AND COMMENTS June 30, 2004

DAILY DEPOSITS

As stated in our prior four reports (most recently B08340 and B14867), the Meridian Street Preservation Commission did not consistently deposit receipts for filing fees within the following business day.

Indiana Code 5-13-6-1(b) states in part: " \dots all public funds \dots shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

ISSUANCE OF FORM 1099

The Meridian Street Preservation Commission issues commission checks to the recording secretary for recording and transcribing services. The payments equaled or exceeded \$600.00 in 2002 and 2003.

26 CFR 1.6041-1 states: "... every person engaged in a trade or business shall make an information return for each calendar year with respect to payments it makes during the calendar year in the course of its trade or business to another person" Those payments are further clarified at 26 CFR 1.6041-1(a)(1)(i) (A) which states"... Salaries, wages, commissions, fees, and other forms of compensation for services rendered aggregating \$600 or more." 26 CFR 1.6041-1(b)(1) states: "... all persons engaged in a trade or business", as used in section 6041(a), includes not only those so engaged for gain or profit, but also organizations the activities of which are not for the purpose of gain or profit.

DOCUMENT RETENTION

Documents selected for our audit could not be located. Due to the lack of documentation, the validity and accountability for some monies received (disbursed) could not be established.

Documents should be retained in accordance with the retention schedule approved by the Oversight Committee on Public Records. Also, documents must be filed in such a manner as to be readily retrievable or otherwise reasonably attainable, upon request, during an audit. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapters 1 and 15)

MERIDIAN STREET PRESERVATION COMMISSION EXIT CONFERENCE
The contents of this report were discussed on July 19, 2005, with Tammara Tracy, Chairman.